To: Schaufelberger, Daniel[schaufelberger.daniel@epa.gov]; Matson, John[matson.john@epa.gov]
From: Wilson, Jennifer
Sent: Sat 5/9/2015 2:54:11 AM
Subject: RE: USG Walworth Facility

Hi John,

I reviewed Dan's answers and I agree with them. Also, I am going on detail to LCD for four months starting on June 1. Thus, I am going to be MIA for a little while.

Have a good weekend,

Jenny

From: Schaufelberger, Daniel
Sent: Friday, May 08, 2015 8:58 AM
To: Matson, John
Cc: Wilson, Jennifer
Subject: RE: USG Walworth Facility

John – See me comments below.

Also, as I mentioned earlier this week, I'm wide-open on Tuesday to talk with Eric C. about this issue. Could you arrange this?

Thanks.

Daniel Schaufelberger

U.S. Environmental Protection Agency, Region 5

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From: Matson, John
Sent: Monday, May 04, 2015 11:04 AM
To: Schaufelberger, Daniel; Wilson, Jennifer
Subject: USG Walworth Facility

Jenny and Dan-

I was looking over my notes from our 113 Conference while preparing our response to USG, and saw two issues we should discuss.

1. In our 2010 113 Conference with the company, USG stated that its production rate at Walworth is not driven or limited by the skip hoist, cupola, or blow chambers, but is limited by the SO^2 limit that was in its permit of 5.5 lbs./mmbtu (i.e. 182.66 lbs./hr) and its annual SO^2 emissions limit of 844.4 tons/yr . These limits reflects NR 417.07(2)(b) of the Wisconsin SIP, which also limits SO^2 emissions to 5.5 lbs./mmbtu at coal-fired units with combined coal-firing capacity of less than 250 mmbtu/hr (which applies to USG's facility). **It is highly doubtful that USG's production is limited by the 5.5 lbs/MMBtu SO2 limit. Their understanding at the time, and as recently confirmed by WDNR, was that the SO2 emissions from their coke only (i.e., not including the primary source of SO2 – the slag) was to be compared to the 5.5 lbs/MMBtu limit. As such, USG's SO2 emissions from their coke averages about 0.9 lbs/MMBtu, which is clearly not even close to the 5.5 lbs/MMBtu limit and is very unlikely to be a production restriction.**

USG's 2013 permit application reflects:

-An SO^2 limit for the Cupola of 5.5 lbs./mmbtu (i.e. 182.66 lbs./hr), with an actual SO^2 annual emissions limit of 844.4 tons/yr. **This limit is only to be compared to USG's fuel SO2 emissions.**

-Multiplying the 182.66 lbs./hr by 24 hours and 365 days/ 2000 =800 tons of SO^2/year. **Correct for fuel SO2 emissions**.

-This is reflected in the 844.4 tpy annual SO^2 limit in its permit. **Yes.**

-NR 417.07(2)(b) of the Wisconsin SIP applies to the Walworth facility. **Yes.**

-How does the 5.5 lbs./mmbtu SO^2 Emissions limit in NR 417.07(2)(b) of the Wisconsin SIP and the facility's permit affect our claim that the company violated PSD at Walworth**?** **It doesn't. Our PSD claim is based on USG's total SO2 emissions (and total SO2 emissions increase due to the project) – which includes the SO2 emissions from the primary source – the slag. The SIP limit only limits the SO2 emissions from their coke.**

-Is the permit limit federally enforceable? **The SIP limit for fuel-based emissions is fed. enf.**

-Does it then set a ceiling for potential emissions? **No. Definitely not. It only establishes a limit on the fuel SO2 emissions.**

2. We calculated a post-project SO^2 Actual-Potential emissions *increase* of 1,061.2 tpy for the Cupola, based on potential SO^2 emissions of 1,6778 tpy (baseline was 616.6 tpy). As stated in our referral, this emissions increase includes the sulfur emitted from the slag used by the facility. For purposes of litigation prior to 2015, however, I don't believe we can count the SO^2 emissions associated with the slag because the permit for the Walworth Facility expressly stated that they are not part of the SO^2 emissions calculation. Hadn't George said that as well? **No. George was referring to EPA overruling WDNR's interpretation of the 5.5 lbs/MMBtu SIP rule – we (us at EPA) felt it should include all SO2 at the stack while WDNR thought that it should only be the SO2 from the fuel. The SIP limit does not limit their production (as shown above) and does not set a cap on their total SO2 emissions – since it only limit fuel SO2. So, the SIP limit doesn't really play into the PSD calculations.**

So, the gist of all of this is I'm wondering how this impacts your thinking for the Walworth facility?

Thanks.

John